

# The Influence of Product Quality, Price and Electronic Word of Mouth on Purchase Intention on School Uniforms at the Rafly Jaya Shop Bandung during the Pandemic Covid-19

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## Abstract

*The purpose of this research is to find the right marketing strategy so that the Jaya Rafly shop can develop and compete with other uniform shops in Bandung. Rafly Jaya is a company engaged in the retail industry for school uniforms and office uniforms in the city of Bandung. Sales of school uniforms have decreased during the Covid-19 pandemic. The authors examine product quality, price, electronic word of mouth on the interest in buying school uniforms at the Rafly Jaya store in Bandung during the Covid-19 pandemic. The sample in this study were 100 female and male respondents who live in the city of Bandung by distributing questionnaires online. Data analysis using Partial Least Square (PLS). The results of this study are that price has a significant effect on purchase intention (4,256), Product Quality has a significant effect on purchase intention (4,404), and Electronic Word of Mouth has a significant effect on purchase intention based on the results of the calculation of VAF 1 (20.75%). ) and VAF 2 (53.02%) this means that partial mediation in this research model can be interpreted that EWOM has a partial or incomplete mediation role in the two predictor variables, namely the formation of perceptions of price product quality.*

**Keywords:** Product Quality, Price, E-WOM, Purchase Intention, PLS.

## INTRODUCTION

Pandemic covid-19 has an impact on important sectors in Indonesia, one of which is the current education sector which has begun to be restricted in Indonesia, one of which is to prohibit direct learning activities at school, by making students learn online at home.

With the existence of online learning, the government made regulations that obliged students to wear school uniforms only at home, these regulations were carried out to increase student discipline and motivation when studying at home. In fact, many students themselves do not follow these rules, this affects MSMEs, especially in the school uniform business, in the form of a very significant decrease in sales, such as the Rafly Jaya uniform shop which was in Bandung during Covid-19, which has decreased very much.

Table 1. List of retail company names

No.	Name Retail Industry
1	Rafly Jaya
2	Resko
3	Remaja
4	Riska

Rafly Jaya is a company engaged in the retail industry for school uniforms and office uniforms that was founded in 2008 in Bandung. Rafly Jaya has been running until now and already has branches around Bandung, following the times and technology, Rafly Jaya markets its products through online stores and social media.

Covid-19 makes the lifestyle of people in Indonesia different because many Indonesians don't want to shop directly at the store, so the Rafly Jaya store opens social media access for the community, namely by using shopee, Instagram and Facebook to promote products such as the data below.



Figure 1. Shopee Toko Rafly Jaya Account

From the picture above, it shows that Rafly Jaya is following the times to spread its wings. Word of mouth or word of mouth in marketing is no stranger. This method of promotion has been known for thousands of years, before marketing science has developed so much as it is now. When a person (customer) feels satisfied in buying or using services or products or goods in one

place, he tends to tell his experience to others, especially to the closest people. One example is a positive review that will convince others to use products or services from the business, this can prove that Ralfy Jaya has met customer needs as shown below.

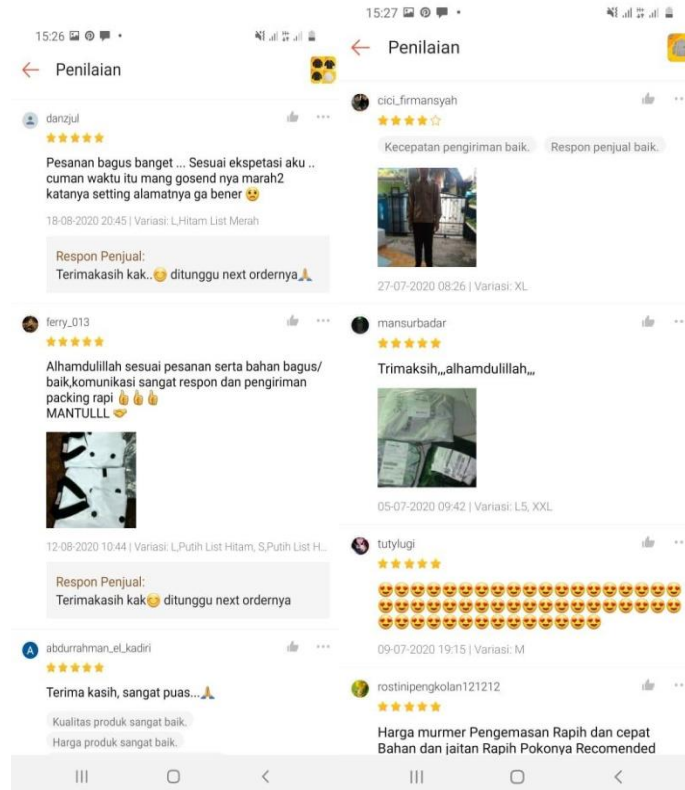


Figure 2. Product Reviews in the Commerce Shoppe

With the picture described above already shows that Rafly Jaya has good quality in meeting consumer needs. According to Dewi Ayu Taman Sari IGAK Giantari (2020) Product quality has a positive and good effect, which will provide satisfaction for consumers who have consumed the product. According to Edison's research, Asep (2017) produced his findings which showed that product quality partially had a positive effect on sales volume at manufacturing companies. With this, product quality plays an important role in buying interest because of the good quality of the product, consumers are satisfied. According to Reyta's research, Fitriani (2017) shows that there is a positive influence between the brand image of retail product x on consumer buying interest. In addition to the quality of the product, the conditions that occur in society today prefer a low price to buy a product. As shown in the table below, the prices offered by Rafly Jaya stores and competitors.

Table 2. Product Prices for

Type	Rafly Jaya	Resko
SD / Stel Uniforms	Rp. 100,000	Rp. 125,000
Junior High School Uniforms / Stel	Rp. 150,000	Rp. 175,000
High School Uniforms / Stel	Rp. 150,000	175,000 The

Rp. table above explains that the price owned by the Rafly Jaya shop is lower than the Resko shop which has a higher price as seen from the difference between the difference of Rp. 25,000. According to Asmarani and Osly Usman (2018), price is the main factor for a company to be successful, if the price is too high in the minds of consumers, then the perception is smaller than the cost, so that the opportunity for sales will be lost. Gerin & Kaniawati's (2020) research results show that product prices have a positive effect on purchasing decisions at children's clothing stores. In fact, the Rafly Jaya store has a lower price, but sales continue to decline even though the quality of the product is good and the promotion is good, the sales are still decreasing.

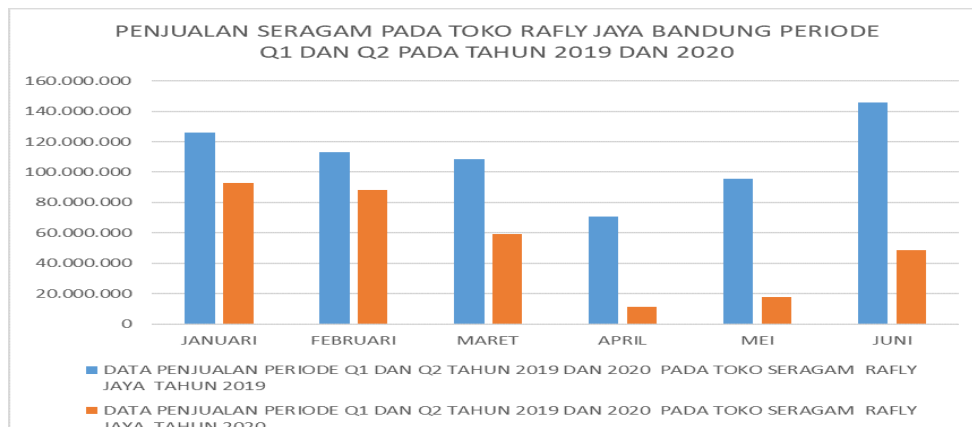


Figure 3. Rafly Jaya Sales Graph

Based on the picture above, it indicates that sales of Rafly shops are glorious in 2020 it has decreased by Rp. 510,591,000 compared to 2019, which is Rp. 660,422,000 if per month, in January 2019 it was Rp. 126,014,500 and in January 2020 it was Rp. 92,989,000. in February it was Rp. 113,299,000 and in February 2020 Rp. 88,071,000, in March 2019 it was Rp. 108,574,000 and in March 2020 it was Rp. 59,178,000, in April 2019 it was Rp. 70,899,000 and in April 2020 Rp. 11,321,000 because this month the Rafly Jaya shop was still running even though during the PSBB period, which was switching to selling masks, in May 2019 amounting to Rp. 95,662,500 in May 2020 amounting to Rp. 48,788,000 in June is the new academic year where of course a lot of students buy new uniforms, but with the covid-19, the purchase of uniforms is reduced for students to be sent home for learning activities. From the phenomena described above, there were problems that showed a mismatch between sales and consumer needs at the time of Covid-19.

## LITERATURE REVIEW

### Product quality Product

quality is an attempt to meet or exceed customer expectations. A product that has good quality meets predetermined quality standards, and quality is a condition that is constantly changing as consumer tastes, or the expectations of a product are always changing. So that changes in better quality and improvements are intended to keep the products made to the predetermined standards for loss of consumer confidence in the product concerned. Quality is one of the factors in a product that causes the product to be of value for the purpose of the product being produced (Sitanggang, et al. 2019).

### **Dimensions of product quality**

According to Saputra, et al., 2020 in (Kotler and Keller 2016) there are several dimensions that are described as follows:

1. Shape, including size, shape, or the physical structure of the product.
2. Performance quality, is the level at which the main characteristics of the product operate.
3. Perceptions of quality, can often be said to be the result of using measurements that are carried out inappropriately because there is a possibility that consumers do not understand or lack information about the product in question.
4. Durability, a measure of a product's expected operation under normal or stressful conditions, is a valuable attribute for a particular product.
5. Reparability, is a measure of the ease of repairing a product if the product is malfunctioning or damaged.
6. Design, is a totality of features that affect the look, feel and functionality of a product based on customer needs.

### **Price**

According to Arif in (Kotler and Armstrong, 2016) states that price is the amount of money charged for a product or service or the amount of consumer value exchanged for the benefit of owning or using a product or service. According to Chrisnawan, et al. (2019) Prices are often linked to the selling or buying value of goods or services. Price is the total amount to be paid in cash or in other forms of exchange. Furthermore, it defines price as the amount of money charged for a product or service and an accumulated value exchanged by consumers for the benefits received from owning or using the product or service. Price is used as an indicator of the value associated with the perceived benefits of the product or service. According to Muljani and Koesworo in (Kotler and Armstrong, 2008: 345), prices are all values provided by consumers to benefit from the use of a product or service. Consumers can judge the price of a product as expensive, cheap or reasonable, depending on each perception.

According to Arif in (Stanton, 1994) there is The 4 (four) indicators that characterize prices are as follows:

1. Affordability, namely aspects of price fixing carried out by producers or sellers in accordance with the purchasing power of consumers.
2. Price suitability with product quality, namely aspects of price fixing carried out by producers or sellers in accordance with the quality of products obtained by consumers.
3. competitiveness, namely, price bids given by consumers or producers are different and compete with those given by other producers, at one type of the same
4. product. Price compatibility with product benefits, namely the aspect of price fixing carried out by producers or sellers in accordance with the benefits that consumers receive from the product purchased.

### **E-WOM**

Marketing by word of mouth is oral, written, and electronic communication between people related to the advantages or experiences of buying or using a product or service. Meanwhile, according to Ismagilova et al, 2019 in (Ismagilova et al. 2017) Electronic word of mouth (eWOM) is defined as the dynamics and ongoing process of exchanging information between

potential, actual, or former consumers regarding a product, service, brand, or company, which is available to many individuals and institutions via the internet. According to Arif, 2019 in Henning, (2004: 347) says that there are dimensions that can be used to measure electronic word of mouth, namely:

1. Positive self-improvement, namely the desire of consumers to share their consumer experiences to improve their self-image as a smart buyer.
2. Social benefits, namely the assumption of receiving social benefits from community members.
3. Helping the company (Helping the Company), namely the desire to help the company in return for the company for being satisfied with products and services.
4. Seeking advice (advice seeking), namely the hope of getting a problem solution after interaction with other people.
5. Attention to other consumers (concern for another consumer), namely the desire to help others in making purchasing decisions.
6. Embracing negative feelings (venting negative feelings), namely sharing unpleasant experiences to reduce dissatisfaction.

### **Purchase Intention**

Purchase Intention is a behavior that a consumer goes through in influencing a desire and need that is obtained in a sorting and comparison with one another to become a perception. Meanwhile, according to Kotler (in Ruhamak et al, 2016). Purchase interest is "consumer behavior occurs when consumers are stimulated by external factors and come to make decisions based on personal characteristics and decision-making processes".

The AIDA model is an element of purchase intention as explained by Rehman et al (in Purba et al, 2018). AIDA's model consists of:

1. Attention, the relationship between consumers and products, in this case where the company takes an approach so that consumers are aware of the existence of the product and its quality.
2. Interest, consumer awareness of the product, in this case the consumer is grown and a sense of belonging is created to the product. Companies try to make their products attractive to consumers, so that consumers have a curiosity that can lead to their interest in a product.
3. Desire, the desire of consumers to try and own the product, consumer curiosity about the product is directed towards buying interest.
4. Action, consumer action to make a purchase decision.

### **METHODOLOGY**

The research sample consisted of 100 female and male respondents who are domiciled in the city of Bandung, who currently have information or know the existence of the Rafly Jaya shop. Data analysis using PLS (partial least square). Analysis stage using Partial Least Square (PLS) must at least go through six step processes where each step will affect the next stage. The stages consist of conceptualization of the model, determining the method of algorithm analysis, determining the method of resampling, path drawing diagrams, evaluating models, and testing the hypotheses (Ghazali, 2014).

### **RESULTS AND DISCUSSION**

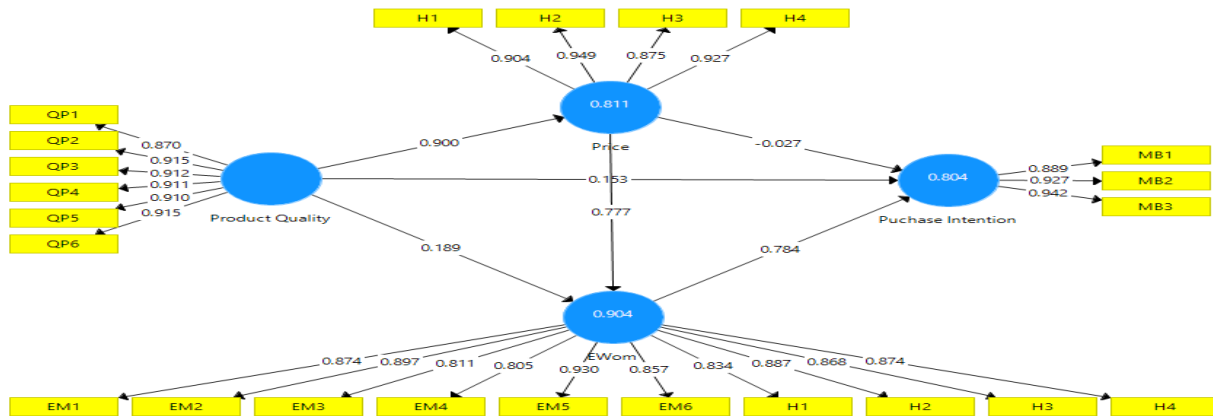
**Table 3. Characteristics of Respondents**

Characteristics	Number	Percentage of
<b>Gender</b>	Male	51 51%
	Female	49 49%
<b>Type of</b>	Housewife	14 14%
	Private Employees	10 10%
	Entrepreneur	4 4%
	Civil Servants	4 4%
	PTN Students	10 10%
	PTS Students	53 73%
	PTN	3 3%
	Siwa PTS	2 2%
<b>Age</b>	15-20	20 20%
	20-30	67 67%
	30-40	6 6%
	40-50	6 6%
	50-60	1 1%
<b>Education Level</b>	Primary	0 0%
	SMP	2 2%
	SMA / SMK Equivalent	37 37%
	S1	58 58%
	S2	2 2%
	S3	1 1%

Data obtained from online questionnaires, this is because the distribution period of this research questionnaire took place during the Covid-19 Pandemic. Respondents in this study are domiciled in the city of Bandung with the criteria being potential consumers who already know information related to products marketed by Rafly Jaya Store. The number of respondents is limited to 100 respondents.

Data analysis in this study using PLS, with Smart PLS 3.0 software. Partial Least Square is considered effective because it has been able to analyze various types of data (nominal, ordinal, interval, and ratio) and is easily adjusted assumptions. Testing with PLS uses two types of testing, namely the Outer Model and Inner Model testing.

At this stage, the Analysis Outer Model (Validity and Reliability of the Measurement Model) will be measured. The discussion of the outer model is presented on the next page.



Based on the data above, there is no convergent validity value below 0.6, thus the measurement can be continued, namely the measurement of the AVE value.

### 1. AVE Value

	Average Variance Extracted (AVE)
Purchase Intention	0.845
Price	0.836
Product Quality	0.820
EWom	0.748

Because there are no convergent validity problems, the following tests are problems related to discriminant validity. Discriminant validity can be tested by comparing the value of CR square root AVE with the correlation value between constructs.

### 2. Discriminant validity

	EWom	Price	Product Quality	Purchase Intention
EWom	0.865			
Price	0.947	0.914		
Product Quality	0.889	0.900	0.906	
Purchase Intenti...	0.894	0.853	0.825	0.919

From the table above, it can be seen that the square root value of AVE (0.865; 0.914; 0.906; 0.919) is greater than the correlation of each construct.

### 3. Unidimensionality

To ensure that there are no problems related to measurement, the final step in evaluating the outer model is to test the unidimensionality of the model. The unidimensionality test was carried out using the composite reliability and alpha Cronbach indicators. For these two indicators the cut-off value point is 0.7.

	Composite Reliability
EWom	0.967
Product Quality	0.965
Price	0.953
Purchase Intention	0.943

The table above shows that all constructs have a composite reliability value above 0.7. Therefore, there is no problem of reliability / unidimensionality in the formed model.

### Inner Model Analysis

Evaluation of the inner model can be done in three ways. The three ways are to look at R<sup>2</sup>, Q<sup>2</sup> and GoF.

	R Square
EWom	0.904
Price	0.811
Purchase Intenti...	0.804

In this research, the Purchase Intention variable has R<sup>2</sup> value of 0.804, meaning for this value, the influence of Product Quality, Price and E-WOM on purchase intention being 80.4%. The remaining 19,6% are influenced by other variables outside the model. The purchasing variable has a value of R<sup>2</sup> of 0,811, this score means product quality forming the price by 81.1% and 18.9% was influenced by other variables outside the research model. E-WOM has the R<sup>2</sup> value is 0904, this means that the variable quality of the product and price affect the measurement of e-WOM by 90.4% and as much as 0.6% influenced by other variables that do not exist in this research model.

In addition to seeing the value of R<sup>2</sup>, further testing can be done with the Inner models see the value of Q<sup>2</sup> (predictive relevance). To calculate Q<sup>2</sup> the formula can be used:

$$Q^2 = 1 - (1-R^2_1) (1-R^2_2) \dots\dots$$

$$Q^2 = 1 - (1-0,804) (1-0,811) (1-0,904)$$

$$Q^2 = 1 - (0.196) (0.189) (0.096)$$

$$Q^2 = 0.996$$

Q<sup>2</sup> The value of 0.996 indicates that the diversity of data that can be explained by the model is 99.6%. The information can be explained about 99.6% by the model. The remaining 0.4% are explained by other variables outside the model. The last one is to find the Goodness of Fit (GoF) value. In contrast to CBSEM, the GoF value in PLS-SEM must be searched manually.

$$GoF = \sqrt{AVE \times R^2} \dots\dots Tenenhaus (2004)$$

Value:

AVE = 0.901

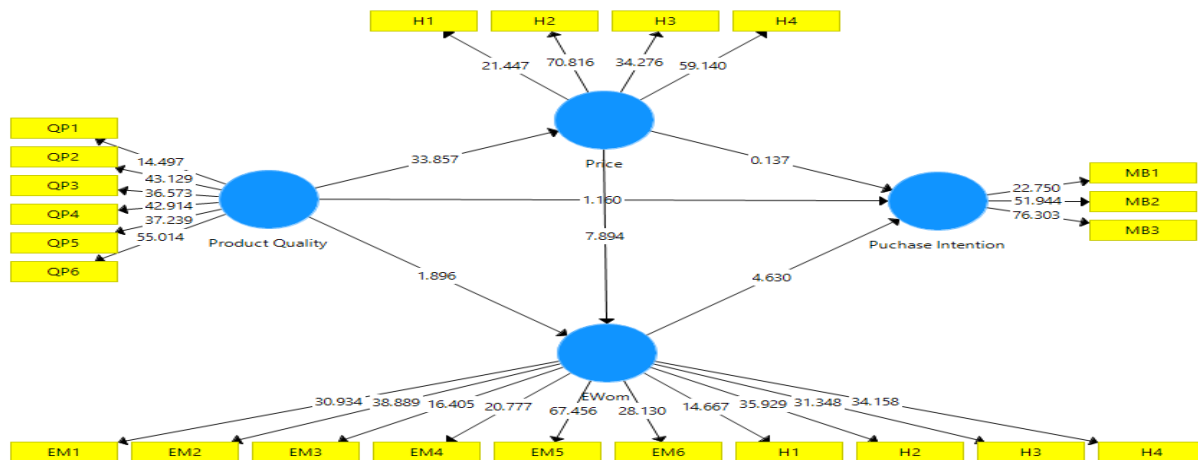
$R^2 = 0.839$

GoF = 0.869,

So, according Tenenhau (2004) stated value: small GoF = 0.1, GoF medium= 0.25 large GoF= 0.38. Of testing  $R^2$ , Q2 and GoF seen that the model established are robust. So that hypothesis testing can be done.

### Hypothesis Testing

Hypothesis testing is conducted by using t-test, in particular by comparing the values of t-table and t-count or t-statistics. The t-table value is 1.96.



Path Coefficients

	Original Sampl...	Sample Mean (...)	Standard Devia...	T Statistics (IO/...	P Values
EWom -> Purchase Intention	0.784	0.780	0.169	4.630	0.000
Price -> EWom	0.777	0.757	0.098	7.894	0.000
Price -> Purchase Intention	-0.027	-0.022	0.195	0.137	0.891
Product Quality -> EWom	0.189	0.209	0.100	1.896	0.059
Product Quality -> Price	0.900	0.904	0.027	33.857	0.000
Product Quality -> Purchase Intention	0.153	0.152	0.132	1.160	0.247

From the estimation results, it can be seen that the effect of electronic word of mouth on purchase intention has a path coefficient of 0.784, where the effect is significant ( $t = 4,630$ ;  $p < 0.005$ ). Meanwhile, the effect of price on E-Wom measurement has a path coefficient of 0.777, with a significant effect of  $t = 7.894$  and  $p < 0.005$ . Furthermore, based on the estimation results, it is found that product quality has a significant effect on price formation with a path coefficient of 0.900 ( $t = 33.857$ ;  $p < 0.005$ ). The results above show the magnitude of the direct effect, while to measure the magnitude of the indirect effect, further testing is necessary. In examining the indirect effect, there are three kinds of variables. The three variables are predictors, criterions and mediators.

To test the indirect effect, it can be done through four stages. The first stage examines the direct effect of predictors on criterion. In the second step, it can be seen that the predictor (Product Quality; Price) has an influence on the mediator (E-WOM measurement) and in the third step it is seen that the mediator has an influence on criterion (Purchase Intention). By following the steps in Kenny and Baron (1986), it can be seen that E-WOM measurement mediates the effect of forming perceptions of product quality and price on product purchase intention at Rafly Jaya stores.

To see whether EWOM has the effect of full mediation or partial mediation, we can proceed to the fourth step. The calculation of the effect of mediation is presented in the figure

The fourth step is to see the influence of predictors (Product Quality, Price) on criterion (purchase intention), while still including the influence of the mediator in it (EWOM). From the test it appears that when the influence of the mediator is included in the model it can be seen that:

- 1). Price has a significant effect on purchase intention (4,256)
- 2). Product Quality has influence significant towards purchase intention (4404)

However, to determine whether including medasi full or not obtained by calculating the value VAF (Variance accounted for), calculated as follows:

$$\text{VAF 1} = 5,385 / 20,559 + 5,385 = \text{or } 20, 75\%$$

$$\text{VAF 2} = 4.256 / 3.770 + 4.256 = 0.5302 \text{ or } 53.02\%.$$

Based on the results of the calculation of VAF 1 (20.75%) and VAF 2 (53.02%), this means that there is partial mediation in this research model. It can be translated that EWOM has a partial or incomplete mediating role in the two predictor variables, namely the formation of perceptions of product quality and price.

Total Effects					
	Original Sampl...	Sample Mean (...)	Standard Devia...	T Statistics (I/O/...	P Values
EWom -> Purchase Intention	0.784	0.782	0.157	4.979	0.000
Price -> EWom	0.777	0.755	0.096	8.122	0.000
Price -> Purchase Intention	0.582	0.575	0.154	3.770	0.000
Product Quality -> EWom	0.889	0.892	0.030	30.000	0.000
Product Quality -> Price	0.900	0.903	0.027	33.526	0.000
Product Quality -> Purchase Intention	0.825	0.826	0.040	20.559	0.000

## CONCLUSION

Based on the research results, it is found that:

1. The variable product quality has a significant direct effect on the formation of purchase intention. This can be used by companies in increasing the purchase interest of new consumers, regardless of other variables, optimal product quality can increase someone's interest and interest in Rafly Jaya products.
2. The price variable can have a significant influence on the formation of purchase intention. It can be interpreted that changes in prices can affect the level of consumer interest in Rafly Jaya products. Thus, in determining the price policy, Rafly Jaya must pay attention to various aspects.
3. The EWOM variable has a direct and significant effect on the formation of purchase intention. This can be interpreted that the level of measurement from E-WOM has an impact

on the interest of potential consumers in buying Rafly Jaya products. Positive reviews or negative reviews must be actively controlled by the management of Rafly Jaya.

4. Based on testing the mediation effect, it was found that the E-WOM variable had a partial or incomplete mediating role in the two predictor variables, namely the formation of perceptions of product quality and price. A further explanation is that when measuring the magnitude of the mediator's influence it is found that the influence rate does not reach a high level, this means that involving E-WOM as the mediator variable provides less than optimal conditions. This may have happened because during the Covid-19 pandemic, people limited activities outside the home, so that when buying a product, they rely more on reviews from several online media, and the more the number of reviews is considered to represent the conditions and expectations of potential consumers.

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